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Letter dated 27 December 2001 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached report from Pakistan, submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I should be grateful if you would arrange for this letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman
Counter-Terrorism Committee

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Annex

[Original: English]

Letter dated 27 December 2001 from the Permanent Representative of Pakistan to the United Nations addressed to the Chairman of the Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

On instructions from my Government, I have the honour to enclose the report of the Islamic Republic of Pakistan to the Counter-Terrorism Committee pursuant to paragraph 6 of Security Council resolution 1373 (2001) (see enclosure).

(*Signed*) Shamshad **Ahmad**

Enclosure

REPORT OF THE ISLAMIC REPUBLIC OF PAKISTAN TO THE UNSC COUNTER TERRORISM COMMITTEE ON IMPLEMENTATION OF UNSC RESOLUTION 1373

I – PRELIMINARY REMARKS

Pakistan is committed to combating terrorism in all its forms and manifestations as a matter of national policy and has undertaken to fully implement UNSC Resolution 1373.

Being itself a victim of terrorism for over last two decades, Pakistan had taken the following anti-terrorism measures prior to the events of 11 September 2001:

a) Enactment of Anti-Terrorism Act in 1997 which was later amended in August 2001. Under this Act, special courts have been established for speedy trial of those involved in terrorist activities.

b) Signing of extradition treaties with twenty-seven countries. Pursuant to the treaties, Pakistan is cooperating actively in tracking down and nabbing terrorists and other criminals. In recent years, wanted terrorists have been arrested and handed over to the United States, Jordan and Egypt.

c) Sharing of relevant information with other countries in the fight against terrorism as well as active liaison with the Interpol.

d) Cracking down on extremist elements. Two organizations involved in sectarian violence, namely, Lashkar-e-Jhangvi and Sipah-e-Muhammad were banned in August 2001. The activities of other suspected organizations have been monitored.

e) Launching of a de-weaponization programme this year. Under this drive, over 125,990 illegal small weapons have been collected so far.

f) Of the twelve United Nations anti-terrorism Conventions, Pakistan has ratified/acceded to nine. The remaining three Conventions are being examined by an inter-Ministerial Committee.

Pakistan condemned the 11 September terrorist attacks in the United States of America in the strongest terms. President Pervez Musharraf assured President George Bush of Pakistan's unstinted support and cooperation in the fight against terrorism. Pakistan, despite the anticipated economic costs to itself, decided to play the role of a frontline state in the fight against terrorism and has taken the following measures since the events of September 11:

a) The security agencies throughout the country have been put on high alert to prevent possible terrorist acts.

b) Border security has been tightened. Pakistan's borders are long, porous and mostly run through inhospitable and harsh terrain. Despite these factors and severe resource constraints, Pakistan has beefed up security along the borders, especially along the Tora Bora region of the Pakistan-Afghanistan border. A number of terrorists belonging to the Al-Qaida group and other suspects were arrested recently by Pakistan's border guards. While doing so, a number of them lost their lives.

c) Security at the airports has been strengthened. Security measures include more rigorous checking of passengers and careful screening of cargo. Now a more restrictive visa policy has been enforced.

d) Pursuant to UNSC resolutions 1267,1333 and 1373, Pakistan has frozen the assets and accounts of a number of entities found involved in terrorist activities. The State Bank has issued directives and advisories toward this end.

e) A Working Group to curb money laundering has been established comprising representatives from the Ministry of Finance, Ministry of Law and Justice, Ministry of Foreign Affairs, Ministry of Interior, State Bank of Pakistan, the Securities and Exchange Commission (SECP), National Accountability Bureau and Federal Investigating Agency.

f) A plan is being prepared to bring Deeni Madaris/religious schools in the mainstream of the education system. In this context, a separate Board has been instituted in 2001 through an ordinance with the task of preparing contemporary curriculum for Deeni Madaris/religious schools.

g) A national focal point has been established in the Ministry of Foreign Affairs headed by Additional Foreign Secretary in charge of United Nations Affairs to coordinate efforts for implementation of the United Nations resolutions on terrorism and to maintain liaison with the Counter Terrorism Committee (CTC) of the UN Security Council through Pakistan's Permanent Mission to the United Nations in New York.

II – DETAILED IMPLEMENTATION REPORT

Information according to the format outlined in the guidance note dated 29 October 2001 of the Chairman, CTC is as follows:

Operative Paragraph 1

Sub-paragraph (a) - *What measures if any have been taken to prevent and suppress the financing of terrorist acts in addition to those listed in your responses to questions on 1(b) to (d)?*

The following measures have been taken for the suppression of financing of terrorism:

a) Administrative orders have been issued by the State Bank of Pakistan (SBP) to all commercial banks to freeze accounts of the organizations suspected of involvement in terrorist activities as per the lists received from the UN Security Council, Asian Development Bank (ADB) and from United States Embassy in Pakistan.

b) To evolve a legal framework for effectively curbing money laundering, the Ministry of Finance has constituted a Working Group comprising representatives of Ministry of Law and Justice, Ministry of Foreign Affairs, Ministry of Interior, State Bank of Pakistan, the Securities and Exchange Commission (SECP), National Accountability Bureau and Federal Investigating Agency. The Working Group has following terms of reference:

   (i) To define the term money laundering and identify the loopholes in the system, including channels used for questionable cash transactions.

   (ii) To examine international anti-money laundering standards with the aim of drafting a legal framework against money laundering.

   (iii) To establish a Suspicious Transaction Detecting System (STDS) within banking industry for monitoring of accounts on regular basis and to devise explicit policy to ensure transparent business transactions.

(iv) To develop an effective monitoring system within State Bank of Pakistan to curb money laundering.

The first meeting of the Working Group was held on 10 December 2001 in Islamabad, which decided that the State Bank of Pakistan (SBP) will develop a draft legislation based on the recommendations of the Financial Action Task Force (FATF).

Sub-paragraph (b-d)

State Bank of Pakistan, being the country's regulatory and supervisory authority, has been initiating measures and regulating the banks as well as Non-Banking Financial Institutions (NBFIs) that fall within its jurisdiction. With a view to prevent, suppress and curtail terrorism and money laundering activities, the State Bank has focused both on formulating rules and regulations and ensuring compliance thereto. The measures taken include issuance of prudential regulation for banks, formulation of NBFIs Rules of Business, issuance of directives and advisories on freezing of accounts, educating the supervisory staff of banks, coordinating action with Ministry of Finance and Ministry of Foreign Affairs on relevant issues, ensuring that the banks and the NBFIs possess '*know your customer rules,* etc. The on-site examiners evaluate the 'Know Your Customer' policies and procedures during on-site inspection of the institutions and report any deviations/violations from the Prudential Regulations and Rules of Business. Given below is the summary of the measures initiated so far:

Prudential Regulation No. XI

a. Under this regulation, banks have been directed to make all reasonable efforts to determine the true identity of every would-be account holder and to institute effective procedures and methods for obtaining proper identification from new customers.

Prudential Regulation No. XII

b. This regulation provides guidelines to safeguard banks against their involvement in money laundering activities and other unlawful trades. It stresses upon the banks to make reasonable efforts to identify the customer. Such efforts include formulation of policies and procedures. The regulation emphasizes on the banks to ensure that business is conducted in conformity with high ethical standards. It advises the banks not to offer services or provide active assistance in transactions which in their opinion are associated with money derived from illegal activities.

The regulation asks the banks to establish specific procedures for ascertaining customer's status and their source of earnings, for monitoring of accounts on regular basis. It also requires the banks to view with suspicion and properly investigate transactions which are out of character with the normal operation of the account involving heavy deposits/withdrawals/transfers. It not only advises the banks to arrange suitable training to the staff for effective implementation of bank's policy and procedures but also to make arrangements for setting up internal audit systems to ensure test checking and compliance. The regulation contains the instructions, framed on these principles, which are the essence of FATF recommendations.

Rules of Business for Non-Banking Financial Institutions 22

c. The rule provides for similar guidelines for NBFIs as provided for in the above-mentioned Prudential Regulation for banks for the prevention of criminal use of NBFIs for the purpose of money laundering and other unlawful trade.

Freezing of Accounts

d. The State Bank of Pakistan has been issuing directives/advisories to Banks/NBFIs for freezing of accounts in compliance with UN Security Council resolutions. All Banks and NBFIs are advised to confirm compliance with the instructions of SBP.

Any Bank/NBFI found violating regulations, rules of business and directives is penalized. Violation may also lead to calling of explanation from the Chief Executive/President of Banks/NBFIs and initiation of administrative and legal action against violators.

Compliance with Core Principles

e. The Core Principles (CPs) for effective Banking Supervision developed by the Basel Committee on Banking Supervision have become a global standard for prudential regulation and supervision. Core Principle 15 requires banking supervisors to determine that banks have adequate policies, practices and procedures in place, including strict "know your customer" rule, which promote high ethical and professional standards in the financial sector and prevent the Banks being used, intentionally or unintentionally, by criminal elements. All the Banks are compliant with the said principle.

Working Group

f. On the initiative and suggestion of Governor SBP, a Working Group has been constituted. This Working Group is headed by Ministry of Finance and includes representatives of Ministry of Law and Justice, Ministry of Foreign Affairs, Ministry of Interior, State Bank of Pakistan, the Securities and Exchange Commission (SECP), National Accountability Bureau and Federal Investigating Agency. The Working Group has been assigned the task to draft legal provisions in order to establish an institutional framework for curbing money laundering. The group will provide platform for the cooperation/coordination of different agencies engaged in combating money laundering and related activities. It will also facilitate international cooperation with anti-money laundering institutions.

Operative Paragraph 2

Sub-paragraph (a) - *What legislation or other measures are in place to give effect to this sub-paragraph? In particular, what offences in your country prohibit (i) recruitment to terrorist groups and (ii) the supply of weapons to terrorists? What other measures help prevent such activities?*

The Anti-Terrorism Act of 1997 was adopted with the aim of preventing terrorist acts, sectarian violence and in order to ensure speedy trials of those involved in heinous offences. In August 2001, the Act was further amended to enlarge its scope.

Under the amended Act, terrorism is a punishable offence and abetting terrorism, including membership of terrorist groups and recruitment and support for such groups, is an offence.

Since last year, the Government has taken a number of arms control measures, the salient points of which are summarized below:

a. On 1 March 2000, a ban was imposed on brandishing/display of weapons in public. Cases were registered against defaulters and strict punishments administered.

b. On 15 February 2001, a ban was imposed on the issuance of arms licenses.

c. On 1 June 2001, an arms recovery campaign was launched. During the amnesty period from 5-20 June 2001, 87,000 weapons were surrendered voluntarily, while 38,990 weapons were recovered during post amnesty period.

d. In the post amnesty period, 21,163 raids have been conducted and 22,936 cases have been registered and 24,081 arrests have been made. So far 445 cases have been disposed off (Convicted 354 & acquitted 91). 19,826 cases are still pending.

e. A positive list of weapons has been approved. In future arms licenses will be issued only for the weapons mentioned in the positive list.

f. Surrender of illicit Arms Act, 1991 has been strictly enforced throughout Pakistan from 20 June 2001. Severe punishments have been prescribed under the Act, which includes life imprisonment and confiscation of property both moveable and immovable. Minimum punishment is three years imprisonment. Under this Act, illicit arms include cannons, all types of explosive substances, containers, grenades, bombs and shells, fire-arms, rifles, carbines, muskets, shotguns, revolvers, pistols and appliances used for the silencing of fire-arms. The Act contains provisions for reward for those who help in the successful recovery of illicit arms.

g. Re-registration/revalidation of arms in Islamabad and the Province of Punjab will be started as model projects with the assistance of UNDP. The following actions will be completed before issuance of new arms licenses:

i. Creation of database of Arms Dealers.
ii. Computerization of old record of Arms Licenses.
iii. Re-registration /revalidation of existing Arms Licenses.
iv. Introduction of new License book with security features.

h. In the third phase, licenses issued in the past in respect of all Prohibited Bore Arms will be cancelled.

Sub-paragraph (b) - *What other steps are being taken to prevent the commission of terrorist acts, and in particular, what early warning mechanisms exist to allow exchange of information with other states?*

The Anti-Terrorism Act of 1997 as amended in August 2001 provides the legal framework to deal with terrorism in all aspects. The Government has taken further steps against sectarian violence in the country which are as follows:

a. A Task Force has been constituted by the Ministry of Interior on sectarian harmony. On the recommendation of the Task Force, the Federal Cabinet recently approved the following Plan of Action:

i) Setting up of Commission on Religious Harmony comprising the Minister for Religious Affairs, religious scholars and heads of religious institutions;

ii) Constitution of Boards consisting of different sects at Provincial level for promotion of sectarian/communal harmony;

iii) Reactivation of Provincial Intelligence Coordination Committees;

iv) Establishment of Provincial Special Task Forces;

v) Establishment of Provincial Conciliation Committees comprising leaders of Shia and Sunni sects as members to seek the release of innocent persons falsely implicated in sectarian cases;

vi) Launching of a sustained media campaign to foster sectarian harmony;

vii) Building national consensus against sectarian militancy through open and candid debates with the involvement of NGOs;

viii) Constitution of a group of religious and security experts to work in coordination with the National Crisis Management and Control Centre (NCM & CC) set up in the Ministry of Interior;

ix) Creation of National Data Base on sectarian issues containing complete information about sectarian parties, leaders, activists, criminals, sectarian cases etc. NCM & CC has been tasked to prepare a blue print;

x) Review of old cases under Blasphemy laws by the conciliation committees along with other sectarian cases;

xi) Requiring of prior permission from local administration for convening religious functions outside Mosques and other religious places;

xii) Taking action against extremist religious leaders and workers;

xiii) Strict enforcement of law against provocative religious writings;

xiv) Strict enforcement of the provisions of Regulation and Control of Loudspeakers and Sound Amplifier Ordinance 1965;

xv) Ensuring strict enforcement of the provisions of Chapter 15 of the Pakistan Penal Code relating to offenses against religion.

Measures taken for sharing information and early warning mechanisms are listed under response to Operative Para 2 (f).

Sub-paragraph (c) - *What legislation or procedures exist for denying safe haven to terrorists, such as laws for excluding or expelling the types of individuals referred to in this sub-paragraph? It would be helpful if States supplied examples of any relevant action taken.*

The Anti-Terrorism Act, 1997 (as amended in August 2001) contains detailed provisions for the suppression of terrorism. In particular, Sections 11(A) to 11(X) prohibit organizations involved in terrorist activities and bars membership and support to such organizations. The Act also provides for the establishment of anti-terrorist courts for conducting speedy trials of those involved in sabotage, subversion and terrorist offences.

Sub-paragraph (d) - *What legislation or procedures exist to prevent terrorists acting from your territory against other states or citizens? It would be helpful if States supplied examples of any relevant action taken.*

The financial measures taken by the Government of Pakistan have been mentioned at Operative Para 1. The Anti-Terrorism Act of 1997 (Amended in 2001) provides a legal framework for the suppression of terrorist offences.

As earlier discussed, Pakistan has extradition treaties with twenty-seven countries. It has been actively cooperating with the international community, especially the United States, in combating terrorism. A number of suspected terrorists have been extradited/deported to the United States and Jordan. Besides, extremist organizations like Lashkar-e-Jhangvi and Sipah-e-Muhammad have been banned and the accounts of Ummah Tameer-e-Nau and Lashkar-e-Taiba have been frozen.

Sub-paragraph (e) - *What steps have been taken to establish terrorist acts as serious criminal offences and to ensure that the punishment reflects the seriousness of such terrorist acts? Please supply examples of any convictions obtained and the sentence given.*

Reply to this paragraph has been given under response to Operative Para 2 (a, b, c, d).

Sub-paragraph (f) - *What procedures and mechanisms are in place to assist other states? Please provide any available details of how these have been used in practice.*

Pakistan is a member of ICPO – INTERPOL. According to Article 32 of the Constitution of ICPO-INTERPOL, National Central Bureau (NCB), Pakistan, maintains liaison with various departments in Pakistan, national central bureaus of other countries and the Secretariat General of ICPO-INTERPOL. National Central Bureau, Islamabad has been exchanging information and sharing intelligence concerning criminal matters, with the above-mentioned bodies. The Bureau has been declared national focal point for international crime prevention and sharing information with United Nations Center for International Crime Prevention and Drug Control.

Since 1999, Pakistan has been connected with INTERPOL communication network/x-100 system for exchanging information through e-mails.

In the recent past NCB, Pakistan has been responding to references relating to terrorism received from foreign missions in Islamabad and INTERPOL.

Sub-paragraph (g) - *How do border controls in your country prevent the movement of terrorists? How do your procedures for issuance of identity papers and travel documents support this? What measures exist to prevent their forgery etc.?*

Following the terrorist attacks of 11 September 2001, security measures and border controls along the Pakistan-Afghanistan border have been tightened. Entry of foreigners is being strictly regulated through visas issued by Pakistan Embassies.

In case of suspicion, foreign nationals arriving in Pakistan on valid visas are directed to report to nearest Foreigners Registration Office for registration as provided in the registration of Foreigners Rules. A stamp to this effect is affixed on their passports. They are also required to obtain exit permit from the Foreigners Registration Office before leaving the country. Such persons are subjected to strict scrutiny at airports at the time of departure.

Special Procedures to deal with persons arriving from Afghanistan

In order to prevent illegal border crossings along the Pakistan-Afghanistan border, Joint Interrogative Teams (JIT) have been set up and Standing Operating Procedures have been instituted. These measures are designed to arrest and detain criminals wanted under national and international law. Home Departments of the NWFP and Baluchistan Provinces are maintaining records of all foreigners as well as Pakistanis returning from Afghanistan.

In addition to these measures, regular troops have been deployed along the Pakistan-Afghanistan border and air surveillance is being carried out to prevent the entry into Pakistan of any terrorist from Afghanistan.

Operative Paragraph 3

Sub-paragraph (a & b)

These issues have already been answered under Operative Para 2 (f).

Sub-paragraph (c) - *What steps have been taken to cooperate in the areas indicated in this sub-paragraph?*

As discussed in the preceding paragraph, Pakistan is cooperating with other countries in combating terrorism. It has signed extradition treaties with twenty-seven countries. Suspected terrorists involved in the 1993 bombing of the World Trade Center (WTC), killing of two CIA officials in Virginia and the bombing of the US Embassies in Kenya and Tanzania were deported to the United States.

Pakistan has extended full cooperation to the international coalition against terrorism and the coalition operations inside Afghanistan. The cooperation included information sharing, use of Pakistani air space and provision of logistical facilities in Pakistan. Pakistan has also deployed thousands of regular troops in addition to the paramilitary forces to seal its 2450 km long border with Afghanistan. Our forces along this border, specially in the Parachinar area which is adjacent to Tora Bora mountain region of Afghanistan, were under immense pressure in recent weeks as Al-Qaida members tried to escape into Pakistan. Scores of Al-Qaida members have been captured and are in detention for interrogation.

Sub-paragraph (d) - *What are your government's intentions regarding signing and/or ratifying the Conventions and Protocols referred to in this sub-paragraph?*

Pakistan has ratified/acceded to the following nine UN anti-terrorism Conventions:

(a) Tokyo Convention on Offences and Certain Other Acts vrCommitted on Board Aircraft (ratified on 11th September 1973).

(b) Convention for the Suppression of Unlawful Seizure of Aircraft (ratified on 29th November, 1973).

(c) Multilateral Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (ratified on 16th January, 1974).

(d) Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents (acceded to on 29th March, 1976).

(e) International Convention against the Taking of Hostages (acceded to on 30th August, 2000).

(f) Convention on the Physical Protection of Nuclear Material (acceded to on 30th August, 2000).

(g) Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, Supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (acceded to on 30th August, 2000).

(h) Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation (acceded to on 30th August, 2002).

(i) Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (acceded to on 30th August 2000).

The remaining three Conventions are being examined at inter-Ministerial level. The next inter-Ministerial meeting is scheduled to be held in the first half of January, 2002.

Sub-paragraph (e) - *Provide any relevant information on the implementation of the Conventions, Protocols and Resolutions referred to in this sub-paragraph.*

Pakistan is fulfilling its obligations under the various UN anti-terrorism Conventions to which it is a party. It is also lending its full support to the international community in the fight against terrorism.

Sub-paragraph (f & g) - *What legislation, procedures and mechanisms are in place for ensuring asylum seekers have not been involved in terrorist activity before granting refugee status. Please supply examples of any relevant cases.*

Pakistan provides refugee status to only those individuals who are registered with the United Nations High Commissioner for Refugees (UNHCR). In this context an agreement was concluded with UNHCR in July 2001 for joint screening of Afghan refugees.

In order to deal with illegal immigrants, a National Aliens Registration Authority (NARA) was set up in January 2001 under the Foreigners (Amendment) Ordinance 2000. This authority is responsible for the registration of foreigners and issuance of work permits to aliens seeking employment in Pakistan.

Please also refer to measures relating to persons arriving from Afghanistan mentioned in Operative Para 2 (g).

III – TECHNICAL COOPERATION

As a frontline State in the fight against terrorism, Pakistan has suffered economically with a sharp decline in our trade, in particular our exports, subsequent to 11 September terrorist attacks and military operations in Afghanistan.

Pakistan is in the process of assessing its needs for technical assistance to combat terrorism. A consolidated list of our requirements would be forwarded to the Counter Terrorism Committee in the first half of January, 2002.